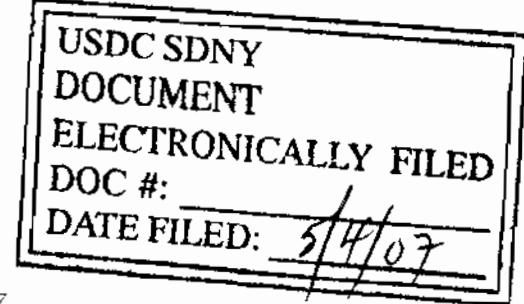


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CHARLES PELL
JAMES E. PELL

RALPH W. CORRETT



May 3, 2007

Via Fax 212-805-7941

Honorable Loretta A. Preska
Judge, United States District Court
for the Southern District of New York
500 Pearl Street, Room 1320
New York, New York 1007

Re: National Union v. Hobbs Staffing, Case No. 07CV3513,
United States District Court for the Southern District of New York

Dear Judge Preska:

I am writing to document my understanding of my agreement with Mr. Michael Davis, representing AIG, petitioner in the above entitled case, regarding a hearing date for AIG's petition to compel arbitration.

After consulting with your office and subject to change to a later date or time if a scheduled trial does not go forward, Mr. Davis and Mr. Giacobbe and I have agreed to the setting of a hearing date at 8:30 am on June 5, 2007, with any responsive filing to be served 5 business days in advance.

In consideration of Mr. Davis' agreement to this hearing date, Hobbs has agreed to consent to an additional 30 days for AIG to respond to the lawsuit brought by Hobbs in the Superior Court of Guilford County in the State of North Carolina and to AIG's removal of said state court case to United States District Court for the Middle District of North Carolina, Greensboro Division, and to any additional extensions of time requested by AIG to respond until AIG's petition to compel arbitration, which is currently pending before Your Honor, is disposed of.

*Ordered
Loretta A. Preska, USDC
May 3, 2007*

Honorable Loretta A. Preska
May 3, 2007
Page 2

If Your Honor has any questions about this agreement, please call me at 336-379-9416.

Yours Truly,

Pell & Pell, LLP

Ralph W. Gorrell
Ralph W. Gorrell

cc: Michael Davis, via fax 212-753-0396

P.S. On behalf of AIG, Mr. Giacalone of Zeicker Ellman has reviewed and agreed to this letter.

Ralph Gorrell
P.W. Gorrell